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Department of Water Resources

MUD LAKE WATER USERS, INC P.O. BOX 68 1400 E 1500 N TERRETON, IDAHO 83450

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Dear Mr. Dreher,

This is concerning the information sent to us advising of the Motion for Order of Interim Administration in Basins 31, 32 & 33. It is our opinion that at the meeting held in Boise on February 15, 2005, it was agreed that Water Districts #31, #32C and #32D would be left as they currently exist. The Mud Lake Barrier separates Basins #31 & #32 from Basin #33. The inclusion of Basin #33 with Basin #31 & #32, as recommended by the IDWR in a letter drafted April 15, 2005, is not in accordance with the agreement reached at the February meeting. This would be harmful to water right holders in all three Basins considering their separate concerns.

We are also concerned by the affidavit signed by Timothy Luke. In item #8, he lists the reasons for the creation/enlargement of a water district. Water districts #31, #32C & #32D are already fulfilling all of these items. Item #9 lists the specific reasons for reforming Basins #31, #32, & #33. Point #1 is incorrect. District #31 already includes ground water, which it administrates. Point #3 is also incorrect in that all water rights in existing Districts have been subject to administration and regulation. For your convenience, we have attached the relevant sections of Mr. Luke's affidavit.

Finally, we would like again state our position that Water Districts #31, #32C & #32D should be allowed to continue to operate as they have in the past. They are currently following all of the criteria set forth in Mr. Luke's affidavit and to restructure them would be a waste of time and resources. We thought this had been agreed to at our February meeting, however in light of your April 15th letter and Mr. Luke's affidavit, we would like to again have your position clarified.

Sincerely,

Gerald Messerli, President

Mud Lake Water Users, Inc.

- I have personal knowledge of the water supply conditions and water rights in Basins 31,32 and 33 through my work with IDWR's Water Distribution Section.
- 8. The general reasons for the creation or enlargement of a water district are:

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- Provide a mechanism for administration, regulation and enforcement of water rights;
- Provide a means for regular measurement and reporting of diversions, including ground water diversions.
- Provide a more local and immediate response to general calls for water delivery;
- Provide for improved management of water rights and keeping water rights current with respect to ownership and water use;
- Provide a system whereby local watermasters or deputy watermasters can provide for local and timely response to general calls for water distribution; and
- Water district administration and regulation can be accomplished by assessing water users directly through the districts.
- 9. The specific reasons for creation or enlargement of water districts in Basins 31, 32 and 33 are:
 - Existing water districts in these basins are limited to surface water sources and do not include ground water sources. Additionally, some surface water sources in these basins may not be included in any water district.
 - All of the water rights claimed in Basins 31, 32 and 33 have been reported or partially decreed in the SRBA as required under I.C. § 42-1417.
 - Some areas of the basins are in either water measurement districts or existing water districts, or no district at all. Certain rights and sources (primarily ground water) within water districts have not been subject to administration or regulation by the water district, and measurement districts are limited to measurement and reporting only, not regulation or enforcement of rights.
 - The establishment of water districts will provide watermasters with the ability to administer water rights in accordance with the prior appropriation doctrine as established by Idaho law.
 - The establishment of water districts will provide watermasters the means to protect senior water rights.

AFFIDAVIT OF TIMOTHY J. LUKE IN SUPPORT OF MOTION FOR ORDER OF INTERIM ADMINISTRATION, PAGE 3